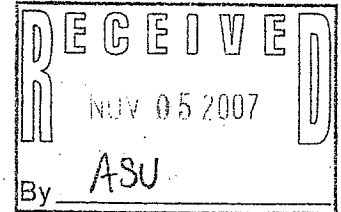
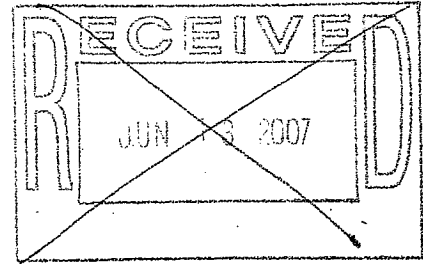


Myers and Stauffer LC

Certified Public Accountants

June 6, 2007

Ms. Kathy Menda
State of California
Department of Health Services
Medi-Cal Policy Division
Rate Development Branch
1501 Capitol Avenue, Suite 71.4007
MS 4612
Sacramento, CA 95899



Re: State of California Medi-Cal Litigation Consulting Contract #04-35657

Dear Ms. Menda:

Enclosed please find our billing for professional services performed under the above referenced contract. These services are associated with the pharmacy study of dispensing and acquisition cost performed by Myers and Stauffer. The second page of this invoice is a summary of charges to date for current fiscal year.

Included with this invoice is a schedule of the hours spent on the project and a calculation of professional fees based on the hourly rates of the contract. However, per our agreement with the Department of Health Services, Myers and Stauffer will limit fees for the pharmacy study to a fixed rate of \$350,000.

Professional Services Rendered
Out of Pocket Expenses

\$70,000.00
Pending

Total Due This Billing

\$70,000.00

Sincerely,

T. Allan Hansen
Manager

cc: Tim Matsumoto

CALSTARS CODING

Fiscal Year	PCA	Index	Object Code	Agency Object	Project Number	Work Phase
06	21411	536	5418			

Approved by:

Date 12-17-07

Myers and Stauffer LC
Certified Public Accountants
4123 SW Gage Center Drive, Suite 200
Topeka, KS 66604
(785) 228-6700

June 6, 2007

*Reviewed &
approved
P. W. Evans*

Ms. Kathy Menda
State of California
Department of Health Services
Medi-Cal Policy Division
Rate Development Branch
1501 Capitol Avenue, Suite 71.4007
MS 4612
Sacramento, CA 95899

Re: State of California Pharmacy Dispensing and Acquisition Cost Study

2114

For professional services rendered for the pharmacy dispensing and acquisition cost study
for the following months:

May 2007 - June 2007	<u>\$70,000</u>
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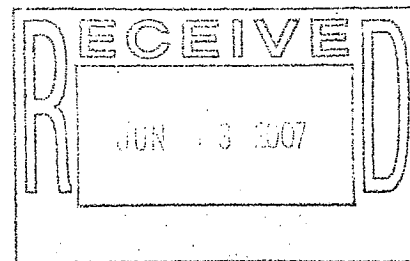
Total Due This Billing	\$70,000
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2/

Myers and Stauffer_{LC}

Certified Public Accountants

June 6, 2007



Mr. Tim Matsumoto
State of California
Department of Health Services
Medi-Cal Policy Division
MS 4600
1501 Capitol Avenue, Suite 71.4001
Sacramento, CA 95814

Dear Mr. Matsumoto:

Enclosed is a copy of the final invoice sent to Kathy Menda for the pharmacy study of dispensing and acquisition cost performed by Myers and Stauffer. Included with the invoice is a schedule of the hours spent on the project and a calculation of professional fees based on the hourly rates of the contract. Hours spent on the pharmacy study were tracked separately from all other projects performed under the Medi-Cal consulting contract, #04-35657. Per our agreement with the Department of Health Services, the pharmacy study was billed at the fixed rate of \$350,000.

We have previously discussed that the underlying contract for this study does not support fixed fee arrangements. The enclosed hourly rate analysis demonstrates that sufficient time was devoted to the pharmacy study to consume the entire \$350,000 agreed upon for the study. We are hopeful this will resolve concern that arose over the billing arrangement entered into for the study. With payment of our final invoices, bringing the totaled billed to \$350,000, Myers and Stauffer will accept these payments as payment-in-full.

If you have any questions or concerns, please contact me at (800) 374-6858.

Sincerely,

Kevin C. Londeen
Member

State of California Pharmacy Dispensing and Acquisition Cost Study

Name	Title	Hours	Rate	Amount
Kevin Londeen	Litigation Project Director	3.00	\$250.00	\$750.00
Allan Hansen	Litigation Project Manager	286.75	\$250.00	\$71,687.50
Lisa Sanderson	Litigation Research Specialist	65.00	\$180.00	\$11,700.00
Tammy Arnall	Litigation Research Specialist	249.00	\$180.00	\$44,820.00
Marla Wilson	Litigation Research Specialist	383.75	\$180.00	\$69,075.00
Amanda Brown	Litigation Research Specialist	4.75	\$180.00	\$855.00
Guadalupe Ramirez	Associate Litigation Analyst	425.50	\$135.00	\$57,442.50
Cheryl Richter	Associate Litigation Analyst	181.50	\$135.00	\$24,502.50
Michelle Schmitz	Associate Litigation Analyst	319.00	\$135.00	\$43,065.00
Sheila Laughlin	Litigation Analyst	329.00	\$100.00	\$32,900.00
Lisa Stevenson	Litigation Analyst	5.75	\$100.00	\$575.00
Audrey Watson	Litigation Analyst	138.00	\$100.00	\$13,800.00
Total Hours		2391.00		
Total Professional Fees				\$371,172.50

Re: State of California Medi-Cal Litigation Consulting Contract #04-35657

June 6, 2007

Page 2

Based on our total contract budget of \$440,000 for the current fiscal year, we have spent the following amounts for each category.

	Professional Services	Indirect Costs	Miscellaneous Costs	Total Contract
Budgeted Amount	\$418,000.00	\$17,600.00	\$4,400.00	\$440,000.00
Amount spent to date(including this invoice)	\$444,642.50	\$0.00	\$0.00	\$444,642.50
Residual Amount	-\$26,642.50	\$17,600.00	\$4,400.00	-\$4,642.50

Vendor Myers & Stauffer LC **Contract #** 04-35657
FY Budget Appropriation Amnt: \$347,982.50 **F.Y.:** 06-07
PCA Code 06-21411-5365-418 Marie Taketa

INVOICE RECEIVED	INVOICE NUMBER	PERIOD COVERED	AMOUNT OF INVOICE	BALANCE REMAINING	ASU INITIALS
Initial appropriation				\$440,000.00	dmg
08/02/06	Professional Svcs	06/06	\$ 1,437.50	\$438,562.50	sxy
09/19/06	Professional Svcs	8/06	\$1,187.50	\$437,375.00	cr
04/24/07	Professional Svcs	01/01/07-03/31/07	\$210,000.00	\$227,375.00	eht
05/15/07	Professional Svcs	04/07	\$70,000.00	\$157,375.00	eht
	Disencumbered				
	Per Accounting				
06/18/07	(Starla/Yi-Wen)		\$100,000.00	\$57,375.00	dmg
07/20/07	Professional Svcs	05/07	\$12,212.50	\$45,162.50	eht
07/24/07	Professional Svcs	06/07	\$29,658.75	\$15,503.75	eht
12/13/07	Amendment 02		(\$100,000.00)	\$115,503.75	dmg
11/02/07	Professional Svcs	05/07-06/07	\$70,000.00	\$45,503.75	jhc

Myers and Stauffer^{LC}

Certified Public Accountants

June 12, 2007

Mr. Tim Matsumoto
State of California
Department of Health Services
Medi-Cal Policy Division
MS 4600
1501 Capitol Avenue, Suite 71.4001
Sacramento, CA 95814

Re: State of California Medi-Cal Litigation Consulting Contract #04-35657

Dear Mr. Matsumoto:

Enclosed please find our billing for professional services performed under the above-referenced contract. These services were rendered from May 1, 2007 through May 31, 2007.
The second page of this invoice is a summary of charges to date for the current fiscal year.

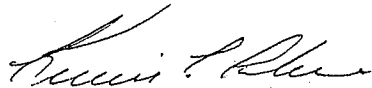
Professional Services Rendered
Out of Pocket Expenses

\$12,212.50
Pending

Total Due This Billing

\$12,212.50

Sincerely,



Kevin C. Londeen
Member

CALSTARS CODING

Fiscal Year	PCA	Index	Object Code	Agency Object	Project Number	Work Phase
06	21411	5365418				

Approved by:  Date 7-24-07

Re: State of California Medi-Cal Litigation Consulting Contract #04-35657

June 12, 2007

Page 2

Based on our total contract budget of \$440,000 for the current fiscal year, we have spent the following amounts for each category.

	Professional Services	Indirect Costs	Miscellaneous Costs	Total Contract
Budgeted Amount	\$418,000.00	\$17,600.00	\$4,400.00	\$440,000.00
Amount spent to date(including this invoice)	\$456,855.00	\$0.00	\$0.00	\$456,855.00
Residual Amount	-\$38,855.00	\$17,600.00	\$4,400.00	-\$16,855.00

June 12, 2007

Mr. Tim Matsumoto
State of California
Department of Health Services
Medi-Cal Policy Division
MS 4600
1501 Capitol Avenue, Suite 71.4001
Sacramento, CA 95814

Re: State of California Medi-Cal Litigation Consulting Contract #04-35657

Dear Mr. Matsumoto:

Billing Period – Professional services rendered from May 1, 2007 through May 31, 2007

For professional services rendered in connection with the matters listed below.

Hospital Fiscal Modeling Under Governor's Proposed Health Care Reforms

Name	Title	Hours	Rate	Amount
Kevin Londeen	Litigation Project Director	14.50	\$250.00	\$3,625.00
Bob Hicks	Associate Litigation Analyst	6.00	\$135.00	\$810.00
Scott Simerly	Litigation Research Specialist	23.25	\$180.00	\$4,185.00
Brian Jay	Litigation Analyst	15.00	\$100.00	\$1,500.00
Chris Powell	Associate Litigation Analyst	15.50	\$135.00	\$2,092.50
Total Hours		74.25		
Total Professional Fees				\$12,212.50

June 12, 2007

Mr. Tim Matsumoto
State of California
Department of Health Services
Medi-Cal Policy Division
MS 4600
1501 Capitol Avenue, Suite 71.4001
Sacramento, CA 95814

Re: State of California Medi-Cal Litigation Consulting Contract #04-35657

Dear Mr. Matsumoto:

Billing Period – May 1, 2007 through May 31, 2007

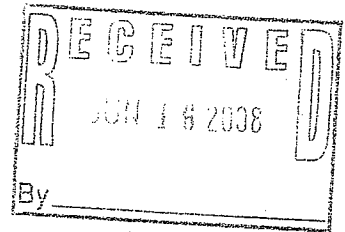
For professional services rendered in connection with the matter listed below.

Hospital Fiscal Modeling Under Governor's Proposed Health Care Reforms

Name and Title	Hospital Fiscal Modeling Under Governor's Proposed Health Care Reforms	Total Hours
Kevin Londeen / Litigation Project Director	14.50	14.50
Bob Hicks / Associate Litigation Analyst	6.00	6.00
Scott Simerly / Litigation Research Specialist	23.25	23.25
Brian Jay / Litigation Analyst	15.00	15.00
Chris Powell / Associate Litigation Analyst	15.50	15.50
Total Hours	74.25	74.25

Myers and Stauffer^{LC}

Certified Public Accountants



June 5, 2008

Mr. Tim Matsumoto
State of California
Department of Health Services
Medi-Cal Policy Division
MS 4600
1501 Capitol Avenue, Suite 71.4001
Sacramento, CA 95814

Re: State of California Medi-Cal Litigation Consulting Contract #04-35657

Dear Mr. Matsumoto:

Enclosed please find our billing for professional services performed under the above-referenced contract. These services were rendered from May 1, 2008 through May 31, 2008.
The second page of this invoice is a summary of charges to date for the current fiscal year.

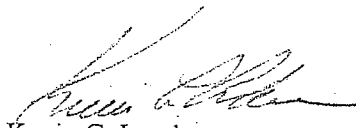
Professional Services Rendered
Out of Pocket Expenses

\$1,087.50
Pending

Total Due This Billing


\$1,087.50

Sincerely,


Kevin C. Londeen
Member

CALSTARS CODING

Fiscal Year	PCA	Index	Object Code	Agency Object	Project Number	Work Phase
07	214115650418					

Approved by:  Date: 6-19-08

Re: State of California Medi-Cal Litigation Consulting Contract #04-35657

June 5, 2008

Page 2

Based on our total contract budget of \$440,000 for the current fiscal year, we have spent the following amounts for each category.

	Professional Services	Indirect Costs	Miscellaneous Costs	Total Contract
Budgeted Amount	\$418,000.00	\$17,600.00	\$4,400.00	\$440,000.00
Amount spent to date(including this invoice)	\$87,080.00	\$0.00	\$0.00	\$87,080.00
Residual Amount	\$330,920.00	\$17,600.00	\$4,400.00	\$352,920.00

June 5, 2008

Mr. Tim Matsumoto
State of California
Department of Health Services
Medi-Cal Policy Division
MS 4600
1501 Capitol Avenue, Suite 71.4001
Sacramento, CA 95814

Re: State of California Medi-Cal Litigation Consulting Contract #04-35657

Dear Mr. Matsumoto:

Billing Period – May 1, 2008 through May 31, 2008

For professional services rendered in connection with the matters listed below.

Rate Cut Analysis Support

Name and Title	Rate Cut Analysis Support	Total Hours
Kevin Londeen/Litigation Project Director	3.75	3.75
Brian Jay/Litigation Analyst	1.50	1.50
Total Hours	5.25	5.25

Handwritten:
Runde Math
6-17-08

June 5, 2008

Mr. Tim Matsumoto
State of California
Department of Health Services
Medi-Cal Policy Division
MS 4600
1501 Capitol Avenue, Suite 71.4001
Sacramento, CA 95814

Re: State of California Medi-Cal Litigation Consulting Contract #04-35657

Dear Mr. Matsumoto:

Billing Period – Professional services rendered from May 1, 2008 through May 31, 2008.

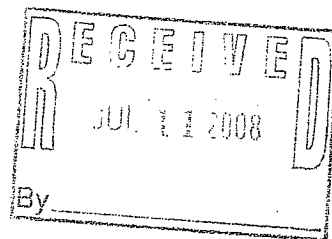
For professional services rendered in connection with the matters listed below.

Rate Cut Analysis Support

Name	Title	Hours	Rate	Amount
Kevin Londeen	Litigation Project Director	3.75	\$250.00	\$937.50
Brian Jay	Litigation Analyst	1.50	\$100.00	\$150.00
Total Hours		5.25		
Total Professional Fees				\$1,087.50

Myers and Stauffer_{LC}

Certified Public Accountants



July 8, 2008

Mr. Tim Matsumoto
State of California
Department of Health Services
Medi-Cal Policy Division
MS 4600
1501 Capitol Avenue, Suite 71.4001
Sacramento, CA 95814

Re: State of California Medi-Cal Litigation Consulting Contract #04-35657

Dear Mr. Matsumoto:

Enclosed please find our billing for professional services performed under the above-referenced contract. These services were rendered from June 1, 2008 through June 30, 2008.

The second page of this invoice is a summary of charges to date for the current fiscal year.

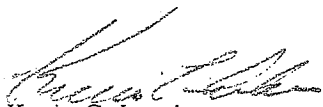
Professional Services Rendered
Out of Pocket Expenses

\$2,017.50
Pending

Total Due This Billing

\$2,017.50

Sincerely,

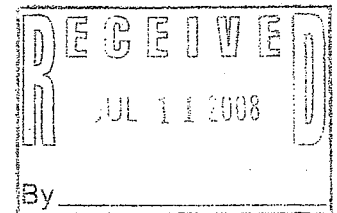

Kevin C. Londeen
Member

CALSTARS CODING

Fiscal Year	PCA	Index	Object Code	Agency Object	Project Number	Work Phase
07	21411	5650	418			

Approved by: 

Date 7-15-08



July 8, 2008

Mr. Tim Matsumoto
State of California
Department of Health Services
Medi-Cal Policy Division
MS 4600
1501 Capitol Avenue, Suite 71.4001
Sacramento, CA 95814

Re: State of California Medi-Cal Litigation Consulting Contract #04-35657

Dear Mr. Matsumoto:

Billing Period – Professional services rendered from June 1, 2008 through June 30, 2008.

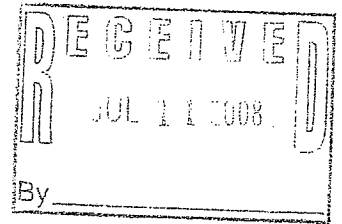
For professional services rendered in connection with the matters listed below.

Assist with the Evaluation of the Alternative to the 10 Percent Rate Cut

Name	Title	Hours	Rate	Amount
Kevin Londeen	Litigation Project Director	4.00	\$250.00	\$1,000.00
Bob Hicks	Associate Litigation Analyst	0.50	\$135.00	\$67.50
Brian Jay	Litigation Analyst	9.50	\$100.00	\$950.00
Total Hours		14.00		

Total Professional Fees

\$2,017.50



July 8, 2008

Mr. Tim Matsumoto
State of California
Department of Health Services
Medi-Cal Policy Division
MS 4600
1501 Capitol Avenue, Suite 71.4001
Sacramento, CA 95814

Re: State of California Medi-Cal Litigation Consulting Contract #04-35657

Dear Mr. Matsumoto:

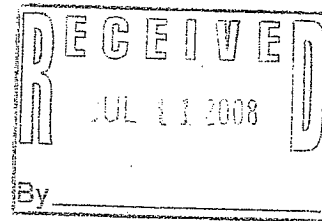
Billing Period – June 1, 2008 through June 30, 2008

For professional services rendered in connection with the matters listed below.

Rate Cut Analysis Support

Name and Title	Assist with the Evaluation of the Alternative to the 10 Percent Rate Cut	Total Hours
Kevin Londeen/Litigation Project Director	4.00	4.00
Bob Hicks/ Associate Litigation Analyst	0.50	0.50
Brian Jay/Litigation Analyst	9.50	9.50
Total Hours	14.00	14.00

*John -
Raula Machado
7/11/08*



Re: State of California Medi-Cal Litigation Consulting Contract #04-35657

July 8, 2008

Page 2

Based on our total contract budget of \$440,000 for the current fiscal year, we have spent the following amounts for each category.

	Professional Services	Indirect Costs	Miscellaneous Costs	Total Contract
Budgeted Amount	\$418,000.00	\$17,600.00	\$4,400.00	\$440,000.00
Amount spent to date(including this invoice)	\$89,097.50	\$0.00	\$0.00	\$89,097.50
Residual Amount	\$328,902.50	\$17,600.00	\$4,400.00	\$350,902.50